

coverage or terminate coverage coincident with the revisions.

(e) [Reserved]

(f) *Preemption of State laws.* (1) Pursuant to 10 U.S.C. 1103, the Department of Defense has determined that in the administration of chapter 55 of title 10, U.S. Code, preemption of State and local laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods is necessary to achieve important Federal interests, including but not limited to the assurance of uniform national health programs for military families and the operation of such programs, at the lowest possible cost to the Department of Defense, that have a direct and substantial effect on the conduct of military affairs and national security policy of the United States. This determination is applicable to contracts that implement this section.

(2) Based on the determination set forth in paragraph (f)(1) of this section, any State or local law or regulation pertaining to health insurance, prepaid health plans, or other health care delivery, administration, and financing methods is preempted and does not apply in connection with TRICARE Reserve Select. Any such law, or regulation pursuant to such law, is without any force or effect, and State or local governments have no legal authority to enforce them in relation to TRICARE Reserve Select. (However, the Department of Defense may, by contract, establish legal obligations on the part of DoD contractors to conform with requirements similar to or identical to requirements of State or local laws or regulations with respect to TRICARE Reserve Select).

(3) The preemption of State and local laws set forth in paragraph (f)(2) of this section includes State and local laws imposing premium taxes on health insurance carriers or underwriters or other plan managers, or similar taxes on such entities. Such laws are laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods, within the meaning of 10 U.S.C. 1103. Preemption, however, does not apply to taxes, fees, or other payments on net income or profit realized by such entities in the

conduct of business relating to DoD health services contracts, if those taxes, fees or other payments are applicable to a broad range of business activity. For the purposes of assessing the effect of Federal preemption of State and local taxes and fees in connection with DoD health services contracts, interpretations shall be consistent with those applicable to the Federal Employees Health Benefits Program under 5 U.S.C. 8909(f).

(g) *Administration.* The ASD(HA) may establish other rules and procedures for the effective administration of TRICARE Reserve Select, and may authorize exceptions to requirements of this section, if permitted by law, based on extraordinary circumstances.

[72 FR 46383, August 20, 2007, as amended at 76 FR 57641, Sept. 16, 2011]

§ 199.25 TRICARE Retired Reserve.

(a) *Establishment.* TRICARE Retired Reserve is established for the purpose of offering the medical benefits provided under the TRICARE Standard and Extra programs to qualified members of the Retired Reserve, their immediate family members, and qualified survivors.

(1) *Purpose.* As specified in paragraph (c) of this section, TRICARE Retired Reserve is a premium-based health plan that is available for purchase by any Retired Reserve member who is qualified for non-regular retirement, but is not yet 60 years of age, unless that member is either enrolled in, or eligible to enroll in, a health benefit plan under Chapter 89 of Title 5, United States Code, as well as certain survivors of Retired Reserve members.

(2) *Statutory Authority.* TRICARE Retired Reserve is authorized by 10 U.S.C. 1076e.

(3) *Scope of the Program.* TRICARE Retired Reserve is geographically applicable to the same extent as specified in 32 CFR 199.1(b)(1).

(4) *Major Features of TRICARE Retired Reserve.* The major features of the program include the following:

(i) *TRICARE rules applicable.* (A) Unless specified in this section or otherwise prescribed by the ASD (HA), provisions of 32 CFR part 199 apply to TRICARE Retired Reserve.

(B) Certain special programs established in 32 CFR part 199 are not available to members covered under TRICARE Retired Reserve. These include the Extended Health Care Option (ECHO) program and the Supplemental Health Care Program (see §199.16) except when referred by a Military Treatment Facility (MTF) provider for incidental consults and the MTF provider maintains clinical control over the episode of care. The TRICARE Retiree Dental Program (see §199.13) is independent of this program and is otherwise available to all members who qualify for the TRICARE Retiree Dental Program whether or not they purchase TRICARE Retired Reserve coverage. The Continued Health Care Benefits Program (see §199.13) is also independent of this program and is otherwise available to all members who qualify for the Continued Health Care Benefits Program.

(ii) *Premiums.* TRICARE Retired Reserve coverage is available for purchase by any Retired Reserve member if the member fulfills all of the statutory qualifications as well as certain survivors. A member of the Retired Reserve or qualified survivor covered under TRICARE Retired Reserve shall pay the amount equal to the total amount that the ASD(HA) determines on an appropriate actuarial basis as being appropriate for that coverage. There is one premium rate for member-only coverage and one premium rate for member and family coverage.

(iii) *Procedures.* Under TRICARE Retired Reserve, Retired Reserve members (or their survivors) who fulfilled all of the statutory qualifications may purchase either the member-only type of coverage or the member and family type of coverage by submitting a completed request in the appropriate format along with an initial payment of the applicable premium. Procedures for purchasing coverage and paying applicable premiums are prescribed in this section.

(iv) *Benefits.* When their coverage becomes effective, TRICARE Retired Reserve beneficiaries receive the TRICARE Standard (and Extra) benefit including access to military treatment facilities on a space available basis and pharmacies, as described in §199.17 of

this part. TRICARE Retired Reserve coverage features the deductible and cost share provisions of the TRICARE Standard (and Extra) plan for retired members and dependents of retired members. Both the member and the member's covered family members are provided access priority for care in military treatment facilities on the same basis as retired members and their dependents who are not enrolled in TRICARE Prime as described in paragraph 199.17(d)(1)(E) of this Part.

(b) *Qualifications for TRICARE Retired Reserve coverage—(1) Retired Reserve Member.* A Retired Reserve member qualifies to purchase TRICARE Retired Reserve coverage if the member meets both the following criteria:

(i) Is a member of a Reserve component of the armed forces who is qualified for a non-regular retirement at age 60 under chapter 1223 of title 10, U.S.C., but who is not yet age 60 and

(ii) Is not enrolled in, or eligible to enroll in, a health benefits plan under chapter 89 of title 5, U.S.C.

(2) *Retired Reserve Survivor.* If a qualified member of the Retired Reserves dies while in a period of TRICARE Retired Reserve coverage, the immediate family member(s) of such member shall remain qualified to purchase new or continue existing TRICARE Retired Reserve coverage until the date on which the deceased member of the Retired Reserve would have attained age 60 as long as they meet the definition of immediate family members specified in paragraph (g)(2) of this section. This applies regardless whether either member-only coverage or member and family coverage was in effect on the day of the TRICARE Retired Reserve member's death.

(c) *TRICARE Retired Reserve premiums.* Members are charged premiums for coverage under TRICARE Retired Reserve that represent the full cost of the program as determined by the ASD(HA) utilizing an appropriate actuarial basis for the provision of the benefits provided under the TRICARE Standard and Extra programs for the TRICARE Retired Reserve eligible beneficiary population. Premiums are to be paid monthly. The monthly rate for each month of a calendar year is one-

twelfth of the annual rate for that calendar year.

(1) *Annual establishment of rates.* (i) TRICARE Retired Reserve monthly premium rates shall be established and updated annually on a calendar year basis by the ASD(HA) for each of the two types of coverage, member-only coverage and member-and-family coverage.

(ii) The appropriate actuarial basis used for calculating premium rates shall be one that most closely approximates the actual cost of providing care to the same demographic population as those enrolled in TRICARE Retired Reserve as determined by the ASD(HA). TRICARE Retired Reserve premiums shall be based on the actual costs of providing benefits to TRICARE Retired Reserve members and their dependents during the preceding years if the population of Retired Reserve members enrolled in TRICARE Retired Reserve is large enough during those preceding years to be considered actuarially appropriate. Until such time that actual costs from those preceding years becomes available, TRICARE Retired Reserve premiums shall be based on the actual costs during the preceding calendar years for providing benefits to the population of retired members and their dependents in the same age categories as the retired reserve population in order to make the underlying group actuarially appropriate. An adjustment may be applied to cover overhead costs for administration of the program by the government.

(2) *Premium adjustments.* In addition to the determinations described in paragraph (c)(1) of this section, premium adjustments may be made prospectively for any calendar year to reflect any significant program changes or any actual experience in the costs of administering the TRICARE Retired Reserve Program.

(3) *Survivor Premiums.* A surviving family member of a Retired Reserve member who qualified for TRICARE Retired Reserve coverage as described herein will pay premium rates at the member-only rate if there is only one surviving family member to be covered by TRICARE Retired Reserve and at the member-and-family rate if there

are two or more survivors to be covered.

(d) *Procedures.* The Director, TRICARE Management Activity (TMA), may establish procedures for the following.

(1) *Purchasing Coverage.* Procedures may be established for a qualified member to purchase one of two types of coverage: member-only coverage or member and family coverage. Immediate family members of the Retired Reserve member may be included in such family coverage. To purchase either type of TRICARE Retired Reserve coverage for effective dates of coverage described below, Retired Reserve members and survivors qualified under either paragraph (b)(1) or (b)(2) of this section must submit a request in the appropriate format, along with an initial payment of the applicable premium required by paragraph (c) of this section in accordance with established procedures.

(i) *Continuation Coverage.* Procedures may be established for a qualified member or qualified survivor to purchase TRICARE Retired Reserve coverage with an effective date immediately following the date of termination of coverage under another TRICARE program.

(ii) *Qualifying Life Event.* Procedures may be established for a qualified member or qualified survivor to purchase TRICARE Retired Reserve coverage on the occasion of a qualifying life event that changes the immediate family composition (*e.g.*, birth, death, adoption, divorce, etc.) that is eligible for coverage under TRICARE Retired Reserve. The effective date for TRICARE Retired Reserve coverage will coincide with the date of the qualifying life event. It is the responsibility of the member to provide personnel officials with the necessary evidence required to substantiate the change in immediate family composition. Personnel officials will update DEERS in the usual manner. Appropriate action will be taken upon receipt of the completed request in the appropriate format along with an initial payment of the applicable premium in accordance with established procedures.

(iii) *Open Enrollment.* Procedures may be established for a qualified member

or qualified survivor to purchase TRICARE Retired Reserve coverage at any time. The effective date of coverage will coincide with the first day of a month.

(iv) *Survivor coverage under TRICARE Retired Reserve.* Procedures may be established for a surviving family member of a qualified Retired Reserve member who qualified for TRICARE Retired Reserve coverage as described in paragraph (b)(2) of this section to purchase new TRICARE Retired Reserve coverage or continue existing TRICARE Retired Reserve coverage. Procedures similar to those for qualifying life events may be established for a qualified surviving family member to purchase new or continuing coverage with an effective date coinciding with the day of the member's death. Procedures similar to those for open enrollment may be established for a qualified surviving family member to purchase new coverage at any time with an effective date coinciding with the first day of a month.

(2) *Changing type of coverage.* Procedures may be established for TRICARE Retired Reserve members/survivors to request to change type of coverage during open enrollment as described in paragraph (d)(1)(iii) of this section or on the occasion of a qualifying life event that changes immediate family composition as described in paragraph (d)(1)(ii) of this section by submitting a completed request in the appropriate format.

(3) *Termination.* Termination of coverage for the member will result in termination of coverage for the member's family members in TRICARE Retired Reserve, except as described in paragraphs (d)(1)(iv) of this section. The termination will become effective in accordance with established procedures.

(i) Coverage shall terminate for members or their survivors who no longer qualify for TRICARE Retired Reserve as specified in paragraph (c) of this section. For purposes of this section, the member or their survivor no longer qualifies for TRICARE Retired Reserve when the member has been eligible for coverage in a health benefits plan under Chapter 89 of Title 5, U.S.C. for more than 60 days. Further, cov-

erage shall terminate when the Retired Reserve member attains the age of 60 or, if survivor coverage is in effect, when the deceased Retired Reserve member would have attained the age of 60.

(ii) Coverage may terminate for members and survivors who gain coverage under another TRICARE program.

(iii) Coverage shall terminate for members and survivors who fail to make a premium payment in accordance with established procedures.

(iv) Procedures may be established for covered members and survivors to request termination of coverage at any time by submitting a completed request in the appropriate format.

(v) Members or qualified survivors whose coverage under TRICARE Retired Reserve terminates under paragraph (d)(3)(iii) or (d)(3)(iv) of this section will not be allowed to purchase coverage under TRICARE Retired Reserve to begin again for a period of one year following the effective date of termination.

(4) *Processing.* Upon receipt of a completed request in the appropriate format, enrollment actions will be processed into DEERS in accordance with established procedures.

(5) *Periodic revision.* Periodically, certain features, rules or procedures of TRICARE Retired Reserve may be revised. If such revisions will have a significant effect on members' or survivors' costs or access to care, members or survivors may be given the opportunity to change their type of coverage or terminate coverage coincident with the revisions.

(e) *Preemption of State laws.*— (1) Pursuant to 10 U.S.C. 1103, the Department of Defense has determined that in the administration of chapter 55 of title 10, U.S. Code, preemption of State and local laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods is necessary to achieve important Federal interests, including but not limited to the assurance of uniform national health programs for military families and the operation of such programs, at the lowest possible cost to the Department of Defense, that have a direct and substantial effect on the

conduct of military affairs and national security policy of the United States. This determination is applicable to contracts that implement this section.

(2) Based on the determination set forth in paragraph (f)(1) of this section, any State or local law or regulation pertaining to health insurance, prepaid health plans, or other health care delivery, administration, and financing methods is preempted and does not apply in connection with TRICARE Retired Reserve. Any such law, or regulation pursuant to such law, is without any force or effect, and State or local governments have no legal authority to enforce them in relation to TRICARE Retired Reserve. (However, the Department of Defense may, by contract, establish legal obligations on the part of DoD contractors to conform with requirements similar to or identical to requirements of State or local laws or regulations with respect to TRICARE Retired Reserve).

(3) The preemption of State and local laws set forth in paragraph (f)(2) of this section includes State and local laws imposing premium taxes on health insurance carriers or underwriters or other plan managers, or similar taxes on such entities. Such laws are laws relating to health insurance, prepaid health plans, or other health care delivery or financing methods, within the meaning of 10 U.S.C. 1103. Preemption, however, does not apply to taxes, fees, or other payments on net income or profit realized by such entities in the conduct of business relating to DoD health services contracts, if those taxes, fees or other payments are applicable to a broad range of business activity. For the purposes of assessing the effect of Federal preemption of State and local taxes and fees in connection with DoD health services contracts, interpretations shall be consistent with those of the Federal Employees Health Benefits Program under 5 U.S.C. 8909(f).

(f) *Administration.* The Director, TRICARE Management Activity, may establish other rules and procedures for the effective administration of TRICARE Retired Reserve and may authorize exceptions to requirements of

this section, if permitted by law, based on extraordinary circumstances.

(g) *Terminology.* The following terms are applicable to the TRICARE Retired Reserve program.

(1) *Coverage.* This term means the medical benefits covered under the TRICARE Standard or Extra programs as further outlined in other sections of Part 199 of Title 32 of the Code of Federal Regulations, whether delivered in military treatment facilities or purchased from civilian sources.

(2) *Immediate family member.* This term means spouse (except former spouses) as defined in paragraph 199.3(b)(2)(i) of this part, or child as defined in paragraph 199.3 (b)(2)(ii).

(3) *Qualified member.* This term means a member who has satisfied all the criteria that must be met before the member is authorized for TRR coverage.

(4) *Qualified survivor.* This term means an immediate family member who has satisfied all the criteria that must be met before the survivor is authorized for TRR coverage.

[75 FR 47455, Aug. 6, 2010]

§ 199.26 TRICARE Young Adult.

(a) *Establishment.* The TRICARE Young Adult (TYA) program offers the medical benefits provided under the TRICARE programs to qualified unmarried adult children who do not otherwise have eligibility for medical coverage under a TRICARE program at age 21 (23 if enrolled in a full-time course of study at an institution of higher learning approved by the Secretary of Defense) and are under age 26.

(1) *Purpose.* As specified in paragraph (c) of this section, TRICARE Young Adult is a premium-based health plan that is available for purchase by any qualified adult child as that term is defined in paragraph (b) of this section. The TRICARE Young Adult program allows a qualified adult child to purchase TRICARE coverage.

(2) *Statutory authority.* TRICARE Young Adult is authorized by 10 U.S.C. 1110b.

(3) *Scope of the program.* TRICARE Young Adult is geographically applicable to the same extent as specified in section 199.1(b)(1) of this part.